ASSOCIATION OF
AMERICAN RAILROADS
ECONOMICS AND FINANCE DEPARTMENT
AMERICAN RAILROADS BUILDING
WASHINGTON, D.C. 20036

THIRD QUARTER 1980
R&E Series No. 703

RAILROAD REVENUES, EXPENSES, AND INCOME

CLASS I RAILROADS IN THE UNITED STATES a/

Account	For The THIRD QUARTER				For The 9 MONTHS Ended September 30			
	1980	1979	Increase 1980 over 1979 Amount	Percent	1980	1979	Increase 1980 over 1979 Amount	Percent
FREIGHT	6 521 350 688	5 943 974 555	577 376 133	9.7	19 327 410 230	17 193 640 632	2 133 769 598	12.4
PASSENGER	116 895 417	100 361 810	16 533 607	16.5	321 688 321	285 935 957	35 752 364	12.5
PASSENGER RELATED	3 112 221	2 959 664	152 557	5.2	8 539 904	15 578 835	D 7 038 931	D 70.0
ALL OTHER OPERATING REVENUE	350 671 211	350 732 165	D 60 954	.0	1 032 144 979	995 390 065	36 754 914	3.7
JOINT FACILITY ACCOUNT	2 937 481	6 015 821	D 3 078 340	D 51.2	10 874 169	16 337 931	D 5 463 762	D 33.5
TOTAL OPERATING REVENUES	6 994 965 118	6 403 566 035	591 374 083	9.2	20 740 657 606	18 505 989 419	2 234 668 036	12.1
DEPRECIATION-ROAD	67 286 161	65 951 463	1 332 698	2.0	201 806 760	194 629 611	7 177 149	3.7
ALL OTHER WAY AND STRUCTURES	1 320 199 361	1 234 232 213	85 967 148	7.0	3 958 125 067	3 755 914 964	202 436 013	10.7
TOTAL WAY AND STRUCTURES	1 387 485 522	1 300 183 676	87 301 846	6.8	4 160 131 827	3 950 544 667	209 587 160	10.5
DEPRECIATION-EQUIPMENT	233 038 961	207 173 563	25 865 398	12.5	680 336 338	626 670 144	53 666 226	8.6
ALL OTHER EQUIPMENT	1 325 317 399	1 293 505 302	31 812 097	2.5	4 075 781 666	3 814 733 155	261 048 511	6.8
TOTAL EQUIPMENT EXPENSE	1 558 356 360	1 500 678 865	57 677 495	3.8	4 756 120 004	4 441 403 299	314 716 705	7.1
TRANSPORTATION-TRAIN & YARD	2 765 378 603	2 621 807 666	143 570 937	5.5	8 362 850 166	7 333 907 559	1 028 942 607	14.0
TRANSPORTATION-SPEC.SERV. & ADM.	356 022 578	330 588 276	25 434 302	7.7	1 047 139 575	920 497 327	126 642 248	13.8
GENERAL AND ADMINISTRATIVE	575 946 110	516 496 359	59 449 751	11.5	1 705 713 074	1 535 131 733	170 581 341	11.1
TOTAL OPERATING EXPENSES	6 623 187 663	6 249 754 642	373 433 021	6.0	19 471 954 080	17 669 477 076	1 802 477 004	11.3
NET REVENUE FROM RAILWAY OPERATIONS	371 752 435	153 811 393	217 941 042	141.7	1 068 703 526	832 512 734	236 191 092	28.4
OTHER INCOME	226 727 652	202 139 479	24 588 173	12.2	725 627 034	591 448 072	133 178 962	22.5
DIVIDENDS FROM AFFILIATES	21 116 485	17 520 889	3 595 596	20.5	79 003 249	57 564 143	21 439 106	36.3
EQUITY IN UNDISTR. EARNINGS OF AFFIL.	27 418 820	43 090 459	D 15 671 639	D 36.4	113 488 459	117 137 045	D 3 648 586	D 3.1
TOTAL INC. FROM AFFILIATED COS.	48 535 314	60 611 348	D 12 076 034	D 19.9	192 491 708	195 371 188	D 2 879 480	D 1.5
MISCELLANEOUS DEDUCTIONS	65 706 154	49 906 206	15 799 948	31.7	169 333 345	154 258 180	15 075 165	28.1
INCOME AVAILABLE FOR FIXED CHARGES	581 109 247	366 656 314	214 453 233	58.5	1 817 184 223	1 484 960 214	332 515 009	22.4
INTEREST ON FUNDED DEBT	234 468 846	202 042 297	32 426 549	16.0	578 468 073	566 557 765	91 910 308	15.8
INTEREST ON UNFUNDED DEBT	20 816 481	10 501 150	10 315 331	98.2	85 458 891	79 328 914	26 129 977	85.1
AMORT. OF DISCOUNT ON FUNDED DEBT	2 008 373	2 069 608	D 61 235	D 3.0	6 058 611	6 147 112	D 138 501	D 2.2
TOTAL FIXED CHARGES	257 293 697	214 613 052	42 680 645	19.9	739 985 575	622 384 811	117 901 764	19.0
INCOME AFTER FIXED CHARGES	324 015 550	152 042 962	171 972 588	113.1	1 077 358 648	862 745 403	214 613 245	24.9
OTHER DEDUCTIONS	4 373 600	4 523 843	D 150 243	D 3.3	13 108 504	13 645 028	D 536 524	D 3.9
UNUSUAL OR INFREQUENT ITEMS (DR.) CR.	(DR) 6 669 427	(DR) 2 626 748	D 4 042 676	*	(DR) 32 433 677	(DR) 5 984 591	D 26 449 086	D 441.9
INCOME(LESS)FR.CONT.OPER.SEFD.INC.TAX	312 972 528	144 892 373	168 080 155	116.0	1 051 856 167	843 155 984	188 700 183	22.4
INCOME TAXES ON ORDINARY INCOME	63 362 701	54 686 595	8 676 106	15.9	186 931 001	153 254 273	33 676 728	22.0
PROVISION FOR DEFERRED INCOME TAXES	93 466 745	29 569 236	63 897 511	216.1	231 811 562	135 023 524	96 788 038	71.7
INCOME(LESS)FR.CONT.OPER.AFT.INC.TAX	156 143 082	60 636 544	95 506 538	157.5	633 113 204	554 878 187	58 235 017	10.5
INCOME(LESS)FR.OPER.OF DISCONT. SEG.	0	0	0		0	0	0	
GAIN(LESS) ON DISP. OF DISCONT. SEG.	0	0	0		0	0	0	
INCOME(LESS)BEFORE EXTRAORDINARY ITEMS	156 143 082	60 636 544	95 506 538	157.5	633 113 204	554 878 187	58 235 017	10.5
EXTRAORDINARY ITEMS (NET)	0	46 497	D 46 497		0	28 428 055	D 28 428 055	
INCOME TAXES ON EXTRAORDINARY ITEMS	0	0	0		0	0	0	
PROV. FOR DEF.TAXES-EXTRAORD. ITEMS	0	0	0		0	0	0	
CUM. EFFECT OF CHANGES IN ACCT.PRIN.	0	0	0		0	0	0	
NET INCOME(AFTER EXTRAORDINARY ITEMS)	156 143 082	60 683 041	95 460 041	157.3	633 113 204	583 426 242	29 806 962	5.1
INCOME FROM LEASE OF ROAD & EQUIP.	946 663	520 585	426 078	81.8	1 691 408	1 416 634	274 774	19.4
RENT FOR LEASED ROADS & EQUIPMENT	8 176 731	6 098 515	2 078 216	34.1	21 495 723	17 317 795	4 177 928	24.1
NET RAILWAY OPERATING INCOME	222 153 057	75 133 494	147 019 563	195.7	669 765 227	560 728 048	109 037 179	19.4
RATIO TO OPERATING REVENUES								
OPERATING EXPENSES	94.69	97.60			94.85	95.50		
OPERATING EXPENSES(INC.INC. TAXES)	96.53	98.91			96.87	97.06		
NET RAILWAY OPERATING INCOME	3.18	1.17			3.23	3.03		

RATE OF RETURN ON PROPERTY INVESTMENT b/

Year Ended September 30

	Net railway operating income (000)		Rate of Return	
	1980	1979	1980	1979
Eastern District	Def. $ 174 511	Def. $ 197 986	Def.	Def.
Southern District	402 390	347 787	6.22%	5.38%
Western District	690 000	650 439	4.23%	4.02%
United States	967 879	805 228	3.17%	2.64%

a/ See page 2, note a.

b/ Rate of return is calculated on the estimated net investment in road and equipment, less interest during construction and debit balances in other elements of investment plus working capital as calculated under Rail Form A procedures. The rate of return does not contain adjustments for investment tax credits or accumulated deferred tax liabilities as prescribed by the Commission in Ex Parte 338/353 due to lack of available data on a quarterly basis. It is estimated that the new formula will produce a slightly lower return for the majority of carriers than does the formula used above.

December 8, 1980

RAILROAD REVENUES, EXPENSES, AND NET INCOME

NINE MONTHS ENDED SEPTEMBER 30, 1980 and 1979

Class I Railroads in the United States a/

DISTRICT and RAILROAD	FREIGHT REVENUE ACCOUNT 101		TOTAL OPERATING REVENUES		TOTAL OPERATING EXPENSES		NET RAILWAY OPERATING INCOME		INCOME BEFORE EXTRAORDINARY ITEMS	
	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979
EASTERN DISTRICT										
BALTIMORE & OHIO	$ 666 234 229	$ 645 131 131	$ 691 345 633	$ 678 914 593	$660 133 513	$638 307 438	$ 30 961 251	$ 37 879 605	$20 147 580	$ 23 967 502
BESSEMER & LAKE ERIE	74 445 011	80 994 235	83 280 812	89 712 300	57 153 292	59 451 299	12 583 891	15 373 591	14 991 318	16 470 847
BOSTON & MAINE	79 929 144	76 998 324	85 705 646	80 641 177	85 221 733	81 707 034	662 531	DEF 884 561	DEF 5 727 136	DEF 6 006 288
CHESAPEAKE & OHIO	658 948 451	553 400 926	693 463 878	586 369 794	612 275 112	545 023 565	52 098 446	27 170 189	77 349 218	67 525 820
CONRAIL	2 322 135 043	2 339 678 575	2 804 736 378	2 790 556 564	3 129 410 054	3 162 218 419	DEF 321 926 870	DEF 369 997 387	DEF 340 682 407	DEF 365 179 669
DELAWARE & HUDSON	83 553 839	71 555 894	86 662 451	73 758 649	89 857 227	79 483 734	DEF 3 140 646	DEF 5 722 522	DEF 5 223 046	DEF 7 524 274
DETROIT, TOLEDO & IRONTON	50 835 966	59 046 342	53 656 579	63 442 750	58 284 028	60 346 525	DEF 4 374 151	3 131 262	DEF 4 770 861	2 971 996
ELGIN, JOLIET & EASTERN	50 855 879	62 085 622	82 464 549	111 563 770	72 800 475	85 001 741	2 527 914	12 369 692	8 793 551	16 090 723
GRAND TRUNK WESTERN	131 810 000	147 701 000	141 248 000	159 616 000	148 354 575	159 528 739	DEF 4 176 111	92 129	DEF 4 470 650	1 241 438
LONG ISLAND	14 901 478	14 810 084	260 760 281	223 543 292	276 954 374	244 254 772	DEF 12 944 563	DEF 17 646 496	DEF 16 953 622	DEF 21 555 270
NORFOLK & WESTERN	1 102 378 493	1 018 837 822	1 140 350 000	1 057 370 000	912 449 632	837 462 358	131 504 437	132 044 064	150 973 110	141 453 811
PITTSBURGH & LAKE ERIE	57 612 314	52 106 133	61 381 024	57 234 550	48 208 966	42 118 302	12 095 308	10 286 444	2 488 225	8 287 300
WESTERN MARYLAND	65 708 468	52 432 869	68 579 110	56 611 511	60 218 985	43 761 509	5 320 437	8 564 708	6 228 288	8 769 572
SOUTHERN DISTRICT					HERN DISTRICT					
CLINCHFIELD	65 222 002	45 851 224	66 170 377	46 926 202	47 326 475	39 736 057	20 323 025	8 660 734	0	
FLORIDA EAST COAST	67 007 026	54 468 454	69 115 682	56 116 218	52 750 234	44 353 604	8 580 448	764 614	14 399 854	25 583 127
ILLINOIS CENTRAL GULF	653 062 000	557 709 000	713 949 000	611 462 000	730 366 000	643 734 000	DEF 12 734 000	DEF 30 187 000	DEF 29 629 000	DEF 28 284 000
LOUISVILLE & NASHVILLE	764 750 518	685 736 601	785 354 336	736 341 773	740 500 124	676 669 637	45 466 115	43 398 885	26 309 682	12 013 998
SEABOARD COAST LINE	869 370 505	734 079 056	899 871 021	758 907 903	811 066 542	690 227 455	81 108 546	72 771 920	130 153 082	88 637 472
SOUTHERN RY. SYSTEM	1 177 754 576	1 041 226 141	1 208 103 414	1 071 026 411	991 278 218	871 491 225	157 384 940	155 076 174	136 787 498	127 306 849
WESTERN DISTRICT					ERN DISTRICT					
ATCHISON, TOPEKA & SANTA FE	1 577 288 752	1 317 388 042	1 612 067 672	1 350 064 592	1 477 501 228	1 234 386 821	108 507 503	94 028 364	91 964 386	86 947 410
BURLINGTON NORTHERN	2 081 439 378	1 702 225 551	2 150 805 182	1 758 324 788	1 988 518 736	1 687 717 231	122 968 990	85 826 701	157 911 073	125 442 580
CHICAGO & NORTH WESTERN	608 397 037	480 688 211	675 396 553	537 536 362	668 865 335	565 079 786	8 901 587	DEF 26 279 199	DEF 8 077 282	DEF 41 866 580
CHICAGO,MIL.,ST.PAUL & PAC.	246 329 772	260 869 356	284 383 658	329 161 768	504 630 467	424 657 120	DEF 221 369 508	DEF 95 466 014	DEF 171 014 020	DEF 83 396 290
COLORADO & SOUTHERN	91 381 545	62 130 161	93 385 839	63 529 720	52 145 385	68 065 628	2 912 530	DEF 2 273 758	15 468 606	8 788 583
DENVER & RIO GRANDE WESTERN	203 231 412	184 855 343	208 411 746	189 752 755	177 696 017	160 134 570	20 806 305	19 927 344	16 748 348	19 992 944
DULUTH, MISSABE & IRON RANGE	69 441 637	71 382 411	72 737 322	74 350 370	55 311 355	57 080 826	8 013 779	7 883 416	10 526 691	9 190 077
FORT WORTH & DENVER	99 502 259	65 235 114	102 320 541	66 912 969	86 230 510	54 296 171	10 478 674	10 337 597	10 785 640	10 638 249
KANSAS CITY SOUTHERN	190 656 830	145 738 837	203 256 659	158 498 933	177 355 561	141 661 594	19 173 355	13 676 091	17 749 258	12 672 156
MISSOURI-KANSAS-TEXAS	148 640 000	112 433 000	156 605 000	117 607 098	149 434 218	117 211 456	7 969 338	5 571 248	2 596 661	2 175 135
MISSOURI PACIFIC	1 195 051 749	1 001 924 445	1 232 931 228	1 036 201 571	1 077 350 706	908 507 255	122 670 408	102 875 246	89 814 403	72 967 267
ST.LOUIS-SAN FRANCISCO	367 863 049	310 511 044	379 276 528	320 613 126	341 749 535	296 955 480	30 450 406	21 823 692	20 298 736	10 468 887
ST.LOUIS SOUTHWESTERN	215 791 000	191 200 000	219 009 128	193 133 591	195 852 562	160 083 022	18 327 343	31 147 744	14 000 713	32 741 727
SCL LINE	225 677 626	199 037 577	230 562 800	203 731 955	195 654 459	179 102 737	24 914 268	16 182 111	24 003 742	15 548 350
SOUTHERN PACIFIC CO.	1 471 177 000	1 393 827 000	1 518 463 479	1 429 707 503	1 497 032 366	1 387 750 754	20 938 977	37 841 788	12 142 524	47 572 282
UNION PACIFIC	1 444 862 051	1 245 822 107	1 468 617 900	1 268 522 752	1 267 626 671	1 094 193 222	161 518 324	133 054 142	124 372 041	103 254 696
WESTERN PACIFIC b/	134 214 000	120 523 000	136 188 000	123 225 000	134 389 000	121 586 000	1 262 000	1 403 000	2 982 000	1 970 000
EASTERN DISTRICT	5 359 348 315	5 174 778 957	6 253 634 341	6 029 334 950	6 211 321 970	6 043 705 435	DEF 98 808 130	DEF 147 337 092	DEF 96 881 432	DEF 103 486 692
SOUTHERN DISTRICT	3 597 266 627	3 119 070 476	3 742 563 830	3 250 780 507	3 373 287 993	2 966 261 978	300 129 078	250 484 427	278 321 116	225 257 406
WESTERN DISTRICT	10 370 895 097	8 859 791 199	10 744 459 735	9 220 874 353	10 087 344 117	8 658 509 663	468 444 275	457 580 353	431 973 520	413 107 473
GRAND TOTAL - UNITED STATES	19 327 410 039	17 153 640 632	20 740 657 906	18 500 989 810	19 671 954 080	17 668 477 076	669 765 227	560 728 098	611 113 204	554 878 187

a/ Data for 1979 and 1980 exclude Chicago, Rock Island and Pacific as their data is not available.

b/ Statistics for the second and third quarters of 1979, first, second and third quarters of 1980 are those for the Western Pacific Railroad System, a newly formed company which purchased the assets and business of the former Western Pacific Railroad System (Old West Rail) as of April 1, 1979. Statistics for the first quarter of 1979 are for the latter.

OPERATING INCOME ACCOUNT - UNITED STATES - 9 MONTHS

ENDED SEPTEMBER 30, 1976 to 1980

Class I Railroads In The United States

Amount	1980 a/	1979 a/	1978	1977	1976
Freight	519 327 410 039	517 193 640 632	514 831 672 623	513 924 870 927	512 984 679 008
Passenger	321 688 921	285 909 553	265 803 643	249 167 835	244 322 192
Passenger related	8 539 904	10 670 835	6 991 436		
All other operating revenues	1 072 144 873	995 390 859	753 423 698	626 114 379	593 794 853
Joint facility account	10 874 169	13 327 931	14 192 613		
Total operating revenue	20 740 657 906	18 500 989 810	15 872 090 013	14 800 153 141	13 822 186 058
Total way and structures expense	3 800 130 827	3 440 547 667	2 993 202 897		
Total equipment expense	4 756 120 038	4 441 403 299	4 020 853 961		
Transportation - train & yard	8 362 850 166	7 330 907 550	6 331 432 963	Detail not available on a	
Transportation - spec. serv. & adm.	1 042 139 975	920 487 432	826 250 387	comparable basis.	
General and administrative	1 705 713 074	1 535 131 233	1 465 683 342		
Total operating expenses b/	19 671 954 080	17 668 477 076	15 342 420 752	14 401 080 231	13 308 033 126
Net revenue from operations	1 068 703 826	832 512 734	529 669 261	393 072 910	515 160 932
Other income c/	725 522 036	591 543 072	478 073 393	352 414 424	438 810 245
Total income from affiliated cos.	192 491 708	195 071 188	95 844 843	168 795 908	166 410 429
Miscellaneous deductions	169 333 345	134 257 780	144 684 596	62 020 321	66 008 302
Total fixed charges	739 983 575	622 083 811	575 726 644	498 989 829	477 732 670
Other deductions	13 108 504	13 645 028	14 063 235	13 793 077	20 706 251
Unusual or infrequent items (dr.) cr.	Dr. 32 433 977	Dr. 5 984 391	Dr. 2 456 786	0	1 177 189
Income taxes on ordinary income d/	186 931 001	153 754 273	115 489 060	64 102 322	145 501 701
Provision for deferred income taxes	231 811 962	135 023 524	85 587 334	108 750 072	55 969 823
Income (loss) from cont. oper. after inc. tax	613 113 204	554 878 187	Def. 39 419 958	164 827 319	255 229 848
Income (loss) before extraordinary items	613 113 204	554 878 187	Def. 39 419 958	164 827 319	255 229 848
Net income (after extraordinary items)	613 113 204	583 306 242	Def. 39 419 958	176 433 344	295 887 848
Net railway operating income	669 765 227	560 728 098	145 969 087	234 863 049	335 628 885

a/ Data for 1980 and 1979 exclude Chicago, Rock Island and Pacific as their data is not available.

b/ Total operating expenses for years 1977 and 1976 partially estimated.

c/ Other income for years 1977 and 1976 partially estimated.

d/ Income taxes on ordinary income exclude state income taxes for years 1977 and 1976.

TOTAL OPERATING REVENUES, EXPENSES, ORDINARY INCOME, NET RAILWAY OPERATING INCOME, REVENUE TON-MILES AND CAPITAL EXPENDITURES

Class I Railroads in the United States
By Quarters, 1976 - 1980

(All amounts in thousands)

Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
TOTAL OPERATING REVENUES					
1976	$ 4 372 737	$ 4 771 064	$ 4 687 344	$ 4 741 780	$ 18 559 726
1977	4 694 975	5 220 326	4 959 852	5 068 445	19 946 814
1978	4 771 585	5 752 333	5 396 857	5 903 295	21 836 194
1979 c/	5 626 112	6 471 312	6 403 566	6 851 010	25 352 000
1980 c/	6 802 415	6 958 992	6 994 940		
TOTAL OPERATING EXPENSES a/					
1976	$ 4 267 994	$ 4 533 633	$ 4 518 264	$ 4 603 927	$ 17 896 399
1977	4 617 829	4 896 020	4 897 825	4 894 531	19 299 142
1978	4 902 833	5 372 125	5 266 488	5 581 189	21 129 788
1979 c/	5 477 306	5 941 773	6 249 755	6 424 192	24 098 654
1980 c/	6 404 180	6 662 165	6 623 188		
ORDINARY INCOME (After Fixed Charges)					
1976	$ 22 721	$ 152 819	$ 78 117	$ 21 056	$ 272 522
1977 b/	Def. 9 415	246 194	1 362	116 781	358 607
1978 b/	Def. 255 137	234 732	29 597	234 291	257 816
1979 c/	49 156	446 377	60 637	335 797	888 631
1980 c/	274 016	183 861	156 143		
NET RAILWAY OPERATING INCOME					
1976	$ 65 661	$ 150 462	$ 115 999	$ 101 665	$ 430 418
1977 b/	31 436	248 369	28 555	119 206	432 914
1978 b/	Def. 133 034	269 330	56 487	245 368	445 632
1979 c/	83 445	400 518	75 133	298 113	851 508
1980 c/	269 987	175 129	222 153		
REVENUE TON-MILES					
1976	191 680 962	203 002 271	197 783 583	200 814 452	791 442 303
1977	195 911 469	216 023 444	205 266 541	208 661 554	826 202 325
1978	188 124 434	230 434 523	210 507 201	227 091 437	858 105 405
1979 c/	205 302 854	235 301 026	227 659 684	235 117 196	902 058 503
1980 c/	233 003 289	227 599 606	222 427 264		
CAPITAL EXPENDITURES					
1976	$ 336 791	$ 372 332	$ 512 072	$ 497 973	$ 1 724 708
1977	427 451	486 265	611 070	758 197	2 291 153
1978	560 240	679 997	612 249	949 081	2 738 237
1979 c/	669 142	767 416	856 131	1 036 921	3 323 174
1980 c/	855 082	897 857	772 164		

Def. - Denotes Deficit.

a/ Operating expenses partially estimated and include state income taxes if any, prior to first quarter, 1978.

b/ Includes first, second and third quarter Long Island adjustments to reflect ICC change in accounting, requiring subsidies (Accounts 502 and 503) to be included in operating revenues. This adjustment was $25 million per quarter for 1977 and about $20 million per quarter in 1978.

c/ Data for 1979 and 1980 exclude Chicago, Rock Island and Pacific Railroad as their data is not available.

ASSOCIATION OF
AMERICAN RAILROADS

ECONOMICS AND FINANCE DEPARTMENT
AMERICAN RAILROADS BUILDING
WASHINGTON, D.C. 20036

FOURTH QUARTER 1980
R&E Series No. 704

RAILROAD REVENUES, EXPENSES, AND INCOME

CLASS I RAILROADS IN THE UNITED STATES a/

Account	For The FOURTH QUARTER			For The 12 MONTHS Ended December 31		
	1980	1979	Increase 1980 over 1979 Percent	1980	1979	Increase 1980 over 1979 Percent
REVENUE						
FREIGHT	$ 7 022 536 933	$ 6 382 415 066	10.00 +	$ 26 349 721 872	$ 23 576 055 696	11.75
PASSENGER	118 224 228	95 916 880	23.20	439 223 780	381 826 433	15.00
PASSENGER RELATED	2 825 157	2 542 622	11.12	11 365 064	12 951 872	D 12.20
ALL OTHER OPERATING REVENUE	366 878 794	363 772 760	.80	1 434 712 996	1 354 425 204	5.90
JOINT FACILITY ACCOUNT	3 560 718	6 622 977	D 46.50	16 414 887	22 000 908	D 34.40
TOTAL OPERATING REVENUES	7 514 009 690	6 851 270 305	9.60	28 256 438 596	25 352 260 113	11.40
EXPENSES						
DEPRECIATION-ROAD	51 109 393	50 918 909	.30	198 744 284	185 620 777	7.10
ALL OTHER WAY AND STRUCTURES	1 236 885 071	1 113 056 635	11.40	4 738 185 344	4 425 296 113	7.10
TOTAL WAY AND STRUCTURES	1 287 994 464	1 163 975 544	9.00	4 936 907 628	4 611 916 890	7.00
DEPRECIATION-EQUIPMENT	246 141 669	233 238 812	5.50	961 535 461	899 339 179	6.90
ALL OTHER EQUIPMENT	1 420 605 395	1 367 748 396	3.80	5 456 138 461	5 138 404 390	6.10
TOTAL EQUIPMENT EXPENSE	1 666 747 064	1 600 987 208	4.10	6 417 673 922	6 037 743 569	6.20
TRANSPORTATION-TRAIN & YARD	2 923 212 938	2 792 023 548	4.60	11 289 102 651	10 123 865 764	11.50
TRANSPORTATION-SPEC.SERV. & ADM.	366 669 075	342 015 588	7.20	1 415 782 349	1 253 680 541	12.90
GENERAL AND ADMINISTRATIVE	592 763 656	523 394 767	13.30	2 295 792 207	2 063 341 920	11.40
TOTAL OPERATING EXPENSES	6 807 363 197	6 422 096 655	5.90	26 352 218 701	24 092 947 474	9.30
NET REVENUE FROM RAILWAY OPERATIONS	706 642 493	429 173 650	64.60	1 902 219 895	1 259 312 641	51.00
OTHER INCOME	320 187 954	222 386 295	43.90	980 720 241	811 613 746	20.80
DIVIDENDS FROM AFFILIATES	22 694 229	35 336 023	D 35.70	101 447 477	93 298 165	9.00
EQUITY IN UNDISTR. EARN. OF AFFIL.	43 673 316	57 607 736	D 24.10	152 744 257	188 269 107	D 18.80
TOTAL INC. FROM AFFILIATED COS.	66 367 545	92 941 759	D 28.60	254 441 734	281 567 272	D 9.60
MISCELLANEOUS DEDUCTIONS	71 080 161	51 985 807	36.70	240 985 044	187 522 500	28.50
INCOME AVAILABLE FOR FIXED CHARGES	1 022 117 831	692 515 397	47.50	2 896 396 826	2 164 970 654	33.70
FIXED CHARGES						
INTEREST ON FUNDED DEBT	244 119 935	212 377 383	14.90	940 081 997	822 522 810	14.30
INTEREST ON UNFUNDED DEBT	17 996 540	13 510 429	32.60	73 353 431	42 834 343	71.20
AMORT. OF DISCOUNT ON FUNDED DEBT	2 750 358	3 082 833	D 10.70	8 808 969	9 279 945	D 5.00
TOTAL FIXED CHARGES	264 764 833	228 970 645	15.60	1 022 244 397	872 641 998	17.10
INCOME AFTER FIXED CHARGES	757 352 998	463 544 752	63.30	1 874 152 429	1 292 329 061	45.00
OTHER DEDUCTIONS	4 170 812	7 951 159	D 47.50	17 479 310	21 596 187	D 19.10
UNUSUAL OR INFREQ. ITEMS (DR.) CR.	DR 32 846 115	CR 2 361 761	290.70	DR 133 326 057	DR 8 366 152	+97.60
INCOME(LOSS)FR.CONT.OPER.BEFC.INC.TAX	720 336 071	453 231 832	58.90	1 723 345 061	1 262 386 722	36.50
INCOME TAXES ON ORDINARY INCOME	122 823 023	56 219 649	118.40	309 754 022	209 473 561	47.80
PROVISION FOR DEFERRED INCOME TAXES	52 255 894	79 327 795	D 34.10	282 991 260	213 411 655	32.60
INCOME(LOSS)FR.CONT.OPER.AFT.INC.TAX	545 257 194	317 687 389	71.60	1 130 795 779	839 504 106	34.60
INCOME(LOSS)FR.OPER.OF DISCONT.SEG.	0	0		0	0	
GAIN(LESS) ON DISP.OF DISCONT.SEG.	0	0		0	0	
INCOME(LOSS)BEFORE EXTRAORDINARY ITEMS	545 257 194	317 687 389	71.60	1 130 795 779	839 504 106	34.60
EXTRAORDINARY ITEMS (NET)	CR 835 809	1 604 501		CR 835 809	30 032 556	
INCOME TAXES ON EXTRAORDINARY ITEMS	0	0		0	0	
PROV. FOR DEF.TAXES-EXTRAORD.ITEMS	0	0		0	0	
CUM.EFFECT OF CHANGES IN ACCT.PRIN.	347 728	0		347 728	0	
NET INCOME(AFTER EXTRAORDINARY ITEMS)	544 073 657	319 291 890	70.40	1 129 616 242	869 536 662	29.90
INCOME FROM LEASE OF ROAD & EQUIP.	1 015 612	549 591	84.70	2 707 020	1 966 226	37.60
RENT FOR LEASED ROADS & EQUIPMENT	9 023 390	6 092 324	48.10	30 498 277	23 386 925	30.40
NET RAILWAY OPERATING INCOME	539 571 394	299 171 940	80.30	1 337 265 870	857 847 724	55.80
CASH FLOW	828 396 565	588 231 606	40.80	2 319 607 055	1 862 308 445	24.50
RATIOS						
RATIO TO OPERATING REVENUES						
OPERATING EXPENSES	90.5	93.7		93.2	95.0	
OPERATING EXPENSES(INC. INC. TAXES)	92.9	95.7		95.3	96.7	
NET RAILWAY OPERATING INCOME	7.1	4.3		4.7	3.3	

RATE OF RETURN ON PROPERTY INVESTMENT b/

Year Ended December 31

	Net Railway Operating Income		Rate of Return	
	1980	1979	1980	1979
Eastern District	$ 5 562	$ (164 947)	0.07%	Def.
Southern District	417 279	343 009	6.45	5.48%
Western District	914 431	677 786	5.43	4.37
United States	1 337 266	857 848	4.25	2.91

a/ See page 2, note a.

b/ Rate of return is calculated on the estimated net investment in road and equipment, less interest during construction and debit balances in other elements of investment plus working capital as calculated under Rail Form A procedures. The rate of return does not contain adjustments for investment tax credits or accumulated deferred tax liabilities as prescribed by the Commission in Ex Parte 328 (Sub-No. 3) due to lack of available data on a quarterly basis. It is estimated that the new formula will produce a slightly lower return for the majority of carriers than does the formula used above.

RAILROAD REVENUES, EXPENSES, AND NET INCOME

TWELVE MONTHS ENDED DECEMBER 31, 1980 and 1979

Class I Railroads in the United States a/

DISTRICT and RAILROAD	FREIGHT REVENUE ACCOUNT 101		TOTAL OPERATING REVENUES		TOTAL OPERATING EXPENSES		NET RAILWAY OPERATING INCOME		INCOME BEFORE EXTRAORDINARY ITEMS	
	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979
EASTERN DISTRICT										
BALTIMORE & OHIO	$ 913 355	$ 877 942	$ 945 951	$ 922 248	$ 889 303	$ 856 272	$ 31 186	$ 58 527	$ 34 629	$ 55 474
BESSEMER & LAKE ERIE	97 885	108 194	109 871	121 449	74 622	83 622	17 863	17 358	21 435	19 883
BOSTON & MAINE	107 564	103 395	115 036	108 510	121 404	110 862	$ 3 866 DEF	2 355	$ 3 967 DEF	10 206
CHESAPEAKE & OHIO	904 078	768 050	949 007	812 635	830 420	748 244	71 359	46 044	131 620	116 567
CONRAIL	$ 3 253 584	$ 3 159 433	$ 3 831 342	$ 3 770 466	$ 4 252 532	$ 4 251 386	DEF 348 656	DEF 479 450	DEF 405 781	DEF 517 620
DELAWARE & HUDSON	108 339	99 528	113 174	102 237	118 705	105 539	DEF 5 440	DEF 6 109	DEF 4 226	DEF 8 666
DETROIT, TOLEDO & IRONTON	70 691	78 807	74 164	84 284	78 431	80 857	DEF 4 022	5 462	DEF 4 714	$ 130
ELGIN, JOLIET & EASTERN	97 627	83 836	109 931	145 843	93 749	112 904	4 493	14 525	19 062	19 987
GRAND TRUNK WESTERN	181 913	148 921	194 682	213 185	198 946	210 652	DEF 7	$ 593	DEF 966	$ 392
LONG ISLAND	20 260	19 160	353 703	301 886	367 545	338 971	DEF 9 552	DEF 35 478	DEF 14 832	DEF 35 333
NORFOLK & WESTERN	1 304 475	1 378 116	1 559 534	1 433 894	1 214 913	1 124 910	149 089	160 545	232 416	197 610
PITTSBURGH & LAKE ERIE	78 419	72 556	83 536	78 956	64 250	58 095	18 721	15 599	$ 368	11 260
WESTERN MARYLAND	88 753	73 589	92 752	78 412	84 308	57 908	6 653	13 667	5 536	14 656
EASTERN DISTRICT - TOTAL	7 296 943	7 016 718	8 502 683	8 170 285	8 279 144	8 244 676	5 561	DEF 164 968	4 579	DEF 128 766
SOUTHERN DISTRICT										
CLINCHFIELD	88 747	84 850	89 866	86 207	65 856	54 087	26 371	14 358	0	
FLORIDA EAST COAST	94 805	76 712	97 542	79 106	78 357	62 274	8 270	2 940	19 222	35 265
ILLINOIS CENTRAL GULF	891 388	780 804	973 266	853 296	903 049	883 146	DEF 5 588	DEF 26 909	DEF 27 227	DEF 32 072
LOUISVILLE & NASHVILLE	1 037 323	945 916	1 064 395	973 259	999 746	929 997	71 668	59 078	44 217	24 568
SEABOARD COAST LINE	1 179 678	1 015 652	1 220 131	1 049 747	1 111 386	952 484	102 239	95 700	175 369	128 369
SOUTHERN RY. SYSTEM	1 597 451	1 426 998	1 637 712	1 467 270	1 395 526	1 208 917	214 312	200 842	180 918	160 622
SOUTHERN DISTRICT - TOTAL	4 889 382	4 310 932	5 082 912	4 488 865	4 583 970	4 090 910	417 272	345 009	392 499	316 453
WESTERN DISTRICT										
ATCHISON, TOPEKA & SANTA FE	2 156 790	1 828 001	2 204 483	1 872 620	1 976 601	1 705 303	177 435	137 885	162 930	128 036
BURLINGTON NORTHERN	2 586 251	2 370 610	2 982 702	2 446 402	2 745 644	2 340 185	172 831	126 063	222 715	179 221
CHICAGO & NORTH WESTERN	644 636	569 472	935 736	747 442	922 274	766 363	17 368	DEF 17 270	2 431	DEF 34 944
CHICAGO, MIL., ST.PAUL & PAC.	336 553	342 269	389 957	455 446	488 995	574 361	DEF 100 885	DEF 118 814	DEF 205 580	DEF 109 178
COLORADO & SOUTHERN	123 295	85 667	126 176	87 682	122 457	96 274	0 841	DEF 4 387	21 161	DEF 10 869
DENVER & RIO GRANDE WESTERN	282 435	251 484	287 474	257 484	244 157	216 877	33 023	28 740	27 507	27 670
DULUTH, MISSABE & IRON RANGE	89 105	93 402	97 819	96 409	73 732	79 556	6 234	7 223	11 793	9 498
FORT WORTH & DENVER	133 256	90 713	137 255	93 227	117 625	76 153	11 996	13 147	12 314	14 138
[illegible] CITY SOUTHERN	260 995	208 938	277 158	221 415	244 520	197 120	25 563	18 739	23 597	17 805
M[illegible] KANSAS-TEXAS	210 552	158 885	220 417	166 087	210 521	163 189	10 601	4 278	5 351	4 467
MI[illegible] PACIFIC	1 639 857	1 374 811	1 640 496	1 418 727	1 476 904	1 254 979	163 987	150 236	123 388	110 027
ST.LOUIS-SAN FRANCISCO	453 871	424 982	467 654	438 387	420 765	401 738	37 606	33 352	25 602	19 753
ST.LOUIS SOUTHWESTERN	298 663	298 499	303 859	251 102	266 356	218 195	31 539	35 568	24 933	36 777
SOO LINE	307 362	283 432	324 265	290 511	284 004	246 256	35 123	28 586	34 045	27 568
SOUTHERN PACIFIC CO.	1 987 224	1 882 271	2 050 049	1 930 524	2 003 045	1 882 134	65 957	35 633	72 812	56 514
UNION PACIFIC	1 971 424	1 711 508	2 003 052	1 742 294	1 731 739	1 495 237	214 351	190 819	164 738	149 142
WESTERN PACIFIC	182 422	163 404	189 013	166 955	181 044	163 430	2 870	2 998	5 858	4 450
WESTERN DISTRICT - TOTAL	14 263 394	12 248 408	14 968 845	12 693 313	13 484 103	11 857 362	914 430	677 789	728 723	651 814
GRAND TOTAL - UNITED STATES	26 349 719	23 576 058	28 254 440	25 352 263	26 352 217	24 092 948	1 337 263	857 846	1 130 601	839 501

a/ Data for 1979 and 1980 exclude Chicago, Rock Island and Pacific as their data is not available.

b/ Statistics for the second and third quarters of 1979, first, second and third quarters of 1980 are those for the Western Pacific Railroad System, a newly formed company which purchased the assets and business of the former Western Pacific Railroad System (Old West Built as of April 1, 1979. Statistics for the first quarter of 1979 are for the latter.

OPERATING INCOME ACCOUNT - UNITED STATES - 12 MONTHS ENDED DECEMBER 31, 1976 to 1980

Class I Railroads In The United States

AMOUNT	1980 a/	1979 a/	1978	1977	1976
FREIGHT	$ 26 349 722	$ 23 576 056	$ 20 346 305	$ 18 657 833	$ 17 411 279
PASSENGER	439 224	381 826	355 589	336 663	330 099
PASSENGER RELATED	11 365	12 952	8 874	}	
ALL OTHER OPERATING REVENUE	1 439 713	1 359 425	1 104 894	} 952 315	811 124
JOINT FACILITY ACCOUNT	14 415	22 001	20 543	}	
TOTAL OPERATING REVENUES	28 254 439	25 352 260	21 836 195	19 946 813	18 574 502
TOTAL WAY AND STRUCTURES	4 936 908	4 611 917	4 070 541	}	
TOTAL EQUIPMENT EXPENSE	6 411 674	6 032 744	5 449 123	}	
TRANSPORTATION-TRAIN & YARD	11 289 102	10 121 865	8 499 112	} Detail not available on a	
TRANSPORTATION-SPEC.SERV. & ADM.	1 415 783	1 263 081	1 153 522	} comparable basis.	
GENERAL AND ADMINISTRATIVE	2 298 752	2 063 342	1 952 490	}	
TOTAL OPERATING EXPENSES b/	26 352 219	24 092 948	21 129 788	19 299 141	17 896 398
NET REVENUE FROM RAILWAY OPERATIONS	1 902 220	1 259 312	706 407	647 672	678 104
OTHER INCOME c/	980 720	811 614	687 124	511 120	465 131
TOTAL INC. FROM AFFILIATED CCS.	254 442	281 567	202 137	231 492	203 898
MISCELLANEOUS DEDUCTIONS	240 985	187 523	191 162	93 037	131 236
TOTAL FIXED CHARGES	1 022 244	872 642	789 221	629 674	641 702
OTHER DEDUCTIONS	17 279	21 596	18 738	20 677	26 032
UNUSUAL OR INFREQ. ITEMS (DR.) CR.	Dr. 133 328	Dr. 8 346	Dr. 53 875	Dr. 3 729	Cr. 12 678
INCOME TAXES ON ORDINARY INCOME d/	309 754	209 471	189 314	62 588	165 273
PROVISION FOR DEFERRED INCOME TAXES	282 991	213 412	95 561	121 972	73 160
INCOME(LOSS)FR.CONT.OPER.AFT.INC.TAX	1 130 800	839 504	257 816	358 602	320 408
INCOME(LOSS)BEFORE EXTRAORDINARY ITEMS	1 130 800	839 504	257 816	358 602	320 408
NET INCOME(AFTER EXTRAORDINARY ITEMS)	1 129 616	869 537	202 078	371 285	329 577
NET RAILWAY OPERATING INCOME	1 337 266	857 848	445 632	432 914	467 858

a/ Data for 1979 and 1980 exclude Chicago, Rock Island and Pacific Railroad.

b/ Total operating expenses for years 1977 and 1976 partially estimated.

c/ Other income for 1977 and 1976 partially estimated.

d/ Income taxes on ordinary income excludes state income taxes for years 1977 and 1976.

TOTAL OPERATING REVENUES, EXPENSES, ORDINARY INCOME, NET RAILWAY OPERATING INCOME, REVENUE TON-MILES AND CAPITAL EXPENDITURES

Class I Railroads in the United States By Quarters, 1976 - 1980

(All amounts in thousands)

Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
TOTAL OPERATING REVENUES					
1976	$ 4 372 737	$ 4 771 064	$ 4 687 344	$ 4 741 780	$ 18 559 726
1977	4 694 975	5 220 326	4 959 852	5 068 445	19 946 814
1978	4 771 585	5 752 333	5 396 857	5 903 295	21 836 194
1979 c/	5 626 112	6 471 312	6 403 566	6 851 270	25 352 260
1980 c/	6 802 415	6 958 992	6 994 940	7 514 006	28 254 439
TOTAL OPERATING EXPENSES a/					
1976	$ 4 267 994	$ 4 533 633	$ 4 518 264	$ 4 603 927	$ 17 896 399
1977	4 617 829	4 896 020	4 897 825	4 894 531	19 299 142
1978	4 902 833	5 372 125	5 266 488	5 581 189	21 129 788
1979 c/	5 477 306	5 941 773	6 249 755	6 422 097	24 092 948
1980 c/	6 404 180	6 662 165	6 623 188	6 807 363	26 352 219
ORDINARY INCOME (After Fixed Charges)					
1976	$ 22 721	$ 152 819	$ 78 117	$ 21 056	$ 272 522
1977 b/	Def. 9 415	246 194	1 362	116 781	358 607
1978 b/	Def. 255 137	234 732	29 597	234 291	257 816
1979 c/	49 156	446 377	60 637	317 687	839 504
1980 c/	274 016	183 861	156 143	545 257	1 130 800
NET RAILWAY OPERATING INCOME					
1976	$ 65 661	$ 150 462	$ 115 999	$ 101 665	$ 430 418
1977 b/	31 436	248 569	28 555	119 206	432 914
1978 b/	Def. 133 034	269 330	56 487	245 368	445 632
1979 c/	83 445	400 518	75 133	299 172	857 848
1980 c/	269 987	175 129	222 153	539 571	1 337 266
REVENUE TON-MILES					
1976	191 680 962	203 002 271	197 783 583	200 814 452	791 442 303
1977	195 911 469	216 023 444	205 266 541	208 661 554	826 202 375
1978	188 124 434	230 434 523	210 507 201	227 091 437	858 105 405
1979 c/	205 302 854	235 301 026	227 659 684	235 117 196	902 058 503
1980 c/	233 003 289	227 599 606	222 427 264	236 045 308	918 621 475
CAPITAL EXPENDITURES					
1976	$ 336 791	$ 372 332	$ 512 072	$ 497 973	$ 1 724 708
1977	427 451	486 265	611 070	758 197	2 291 153
1978	560 240	679 997	612 249	949 081	2 738 237
1979 c/	669 142	767 416	856 131	1 031 842	3 300 871
1980 c/	855 082	897 857	772 164	1 122 958	3 621 256

Def. - Denotes Deficit.

a/ Operating expenses partially estimated and include state income taxes if any, prior to first quarter, 1978.

b/ Includes first, second and third quarter Long Island adjustments to reflect ICC change in accounting, requiring subsidies (Accounts 502 and 503) to be included in operating revenues. This adjustment was $25 million per quarter for 1977 and about $20 million per quarter in 1978.

c/ Data for 1979 and 1980 exclude Chicago, Rock Island and Pacific Railroad as their data is not available.

ASSOCIATION OF
AMERICAN RAILROADS
ECONOMICS AND FINANCE DEPARTMENT
AMERICAN RAILROADS BUILDING
WASHINGTON, D.C. 20036

8/28/81

FIRST QUARTER 1981
R&E Series No. 705

RAILROAD REVENUES, EXPENSES, AND INCOME

CLASS I RAILROADS IN THE UNITED STATES [a]

ACCOUNT	FOR THE FIRST QUARTER 1981	1980	PERCENT INCREASE 1981 OVER 1980
REVENUE			
FREIGHT	$ 7 181 908 132	$ 6 329 256 526	13.40
PASSENGER	121 085 374	98 276 009	23.20
PASSENGER RELATED	2 531 452	2 576 815	D 1.70
ALL OTHER OPERATING REVENUE	349 328 035	368 256 384	D 5.10
JOINT FACILITY ACCOUNT	4 722 907	3 974 320	18.90
TOTAL OPERATING REVENUES	7 659 575 900	6 802 340 054	12.60
EXPENSES			
DEPRECIATION-ROAD	51 453 228	47 926 467	7.30
ALL OTHER WAY AND STRUCTURES	1 078 396 437	989 534 335	8.90
TOTAL WAY AND STRUCTURES	1 129 849 665	1 037 460 802	8.90
DEPRECIATION-EQUIPMENT	246 450 674	221 718 944	11.10
ALL OTHER EQUIPMENT	1 470 004 385	1 388 314 449	5.90
TOTAL EQUIPMENT EXPENSE	1 716 455 059	1 610 033 393	6.60
TRANSPORTATION-TRAIN & YARD	3 086 216 767	2 950 791 298	4.70
TRANSPORTATION-SPEC.SERV. & ADM.	382 135 577	339 353 629	12.60
GENERAL AND ADMINISTRATIVE	645 606 812	566 574 803	13.90
TOTAL OPERATING EXPENSES	6 960 263 880	6 404 213 924	8.60
NET REVENUE FROM RAILWAY OPERATIONS	699 312 020	398 126 130	75.60
OTHER INCOME	287 310 393	226 833 024	26.60
DIVIDENDS FROM AFFILIATES	63 346 750	22 118 547	186.30
EQUITY IN UNDISTR. EARN. OF AFFIL.	160 525 485	49 085 742	227.00
TOTAL INC. FROM AFFILIATED COS.	223 872 235	71 204 289	214.40
MISCELLANEOUS DEDUCTIONS	59 208 710	48 756 406	21.40
INCOME AVAILABLE FOR FIXED CHARGES	1 151 285 938	647 407 037	77.80
FIXED CHARGES			
INTEREST ON FUNDED DEBT	255 319 116	216 641 399	17.80
INTEREST ON UNFUNDED DEBT	15 109 459	14 290 234	5.70
AMORT. OF DISCOUNT ON FUNDED DEBT	2 889 747	2 214 584	30.40
TOTAL FIXED CHARGES	273 318 322	233 146 217	17.20
INCOME AFTER FIXED CHARGES	877 967 616	414 260 820	111.90
OTHER DEDUCTIONS	4 003 349	4 401 870	D 9.30
UNUSUAL OR INFREQ. ITEMS (DR.) CR.	DR. 81 000	DR. 4 754 585	D 98.20
INCOME(LOSS)FR.CONT.OPER.BEFC.INC.TAX	873 883 267	405 104 365	115.70
INCOME TAXES ON ORDINARY INCOME	125 295 120	60 108 636	108.40
PROVISION FOR DEFERRED INCOME TAXES	112 193 493	73 598 372	52.40
INCOME(LOSS)FR.CONT.OPER.AFT.INC.TAX	636 394 654	271 397 357	134.40
INCOME(LOSS)FR.OPER.OF DISCONT.SEG.	0	0	
GAIN(LOSS) ON DISP.OF DISCONT.SEG.	0	0	
INCOME(LOSS)BEFORE EXTRAORDINARY ITEMS	636 394 654	271 397 357	134.40
EXTRAORDINARY ITEMS (NET)	0	0	
INCOME TAXES ON EXTRAORDINARY ITEMS	0	0	
PROV. FOR DEF.TAXES-EXTRAORD.ITEMS	0	0	
CUM.EFFECT OF CHANGES IN ACCT.PRIN.	0	0	
NET INCOME(AFTER EXTRAORDINARY ITEMS)	636 394 654	271 397 357	134.40
INCOME FROM LEASE OF ROAD & EQUIP.	1 394 573	48 947	749.10
RENT FOR LEASED ROADS & EQUIPMENT	8 517 822	5 867 964	45.10
NET RAILWAY OPERATING INCOME	468 946 656	270 238 139	73.50
CASH FLOW	822 619 814	543 436 851	51.30
RATIOS			
RATIO TO OPERATING REVENUES			
OPERATING EXPENSES	90.8	94.1	
OPERATING EXPENSES(INC.INC. TAXES)	93.9	96.1	
NET RAILWAY OPERATING INCOME	6.1	3.9	

RATE OF RETURN ON PROPERTY INVESTMENT [b]
THREE MONTHS ENDED MARCH 31, 1981 and 1980

	Net Railway Operating Income (000)		Rate of Return	
	1981	1980	1981	1980
Eastern District	$ 62 177	$ (89 892)	.73 %	Def.
Southern District	450 383	389 682	6.75	6.06 %
Western District	1 023 414	744 851	6.12	4.60
United States	1 535 974	1 044 641	4.81	3.43

[a] See page 2, note a.

[b] Rate of return is calculated on the estimated net investment in road and equipment, less interest during construction and debit balances in other elements of investment plus working capital as calculated under Rail Form A procedures. The rate of return does not contain adjustments for investment tax credits as prescribed by the Commission in Ex Parte 393 due to lack of available data on a quarterly basis. It is estimated that the Ex Parte 393 formula would produce a slightly lower return for the majority of carriers than does the formula used above.

August 5, 1981

RAILROAD REVENUES, EXPENSES, AND NET INCOME

THREE MONTHS ENDED MARCH 31, 1981 and 1980

Class I Railroads in the United States a/

(Dollars in thousands)

DISTRICT and RAILROAD	FREIGHT REVENUE ACCOUNT 101		TOTAL OPERATING REVENUES		TOTAL OPERATING EXPENSES		NET RAILWAY OPERATING INCOME		INCOME BEFORE EXTRAORDINARY ITEMS	
	1981	1980	1981	1980	1981	1980	1981	1980	1981	1980
EASTERN DISTRICT										
BALTIMORE & OHIO	$ 243 364	$ 222 952	$ 251 541	$ 232 134	$ 234 216	$ 216 901	$ 13 322	$ 12 012	$ 11 653	$ 8 469
BESSEMER & LAKE ERIE	20 895	17 253	22 391	19 103	16 777	20 294	2 190	DEF 980	3 904	379
BOSTON & MAINE	28 903	26 345	30 556	27 944	29 945	28 656	678	DEF 652	1 430	DEF 2 727
CHESAPEAKE & OHIO	238 880	198 781	246 935	207 528	216 182	193 817	16 149	8 205	37 812	20 589
CONRAIL	840 731	802 792	1 011 664	965 935	1 060 829	1 044 844	DEF 48 337	DEF 77 901	DEF 57 491	DEF 79 019
DELAWARE & HUDSON	27 254	28 058	28 156	28 672	31 679	29 404	DEF 3 417	DEF 736	DEF 4 983	DEF 1 600
DETROIT, TOLEDO & IRONTON	21 208	19 393	22 172	20 566	20 676	19 558	1 507	1 020	684	883
ELGIN, JOLIET & EASTERN	18 054	18 551	29 612	31 258	22 877	26 237	2 991	1 741	4 641	3 874
GRAND TRUNK WESTERN	52 609	49 444	55 669	53 413	53 443	52 393	3 624	1 017	2 850	1 609
LONG ISLAND	5 294	4 962	87 540	84 426	100 427	89 353	DEF 11 813	DEF 3 858	DEF 13 039	DEF 5 127
NORFOLK & WESTERN	430 699	355 130	445 028	367 142	325 637	296 365	63 687	42 351	78 636	48 383
PITTSBURGH & LAKE ERIE	17 843	17 338	19 319	18 920	18 267	14 536	900	3 980	DEF 878	863
WESTERN MARYLAND	21 489	18 152	22 479	19 545	19 630	18 813	1 588	256	1 626	545
EASTERN DISTRICT TOTAL	1 967 223	1 779 151	2 273 062	2 076 586	2 150 585	2 051 171	43 069	DEF 13 545	66 845	DEF 2 879
SOUTHERN DISTRICT										
CLINCHFIELD	26 648	19 090	26 901	19 406	19 473	14 905	7 946	4 941	0	
FLORIDA EAST COAST	25 323	22 135	25 901	22 886	22 549	17 505	2 185	2 995	3 054	3 795
ILLINOIS CENTRAL GULF	256 269	229 325	276 356	248 680	266 037	235 598	8 416	12 697	7 443	5 455
LOUISVILLE & NASHVILLE	305 153	256 377	311 028	263 757	282 491	254 236	27 084	10 168	19 776	5 629
SEABOARD COAST LINE	332 524	292 652	343 419	302 172	305 869	274 701	33 935	25 060	60 803	36 982
SOUTHERN RY. SYSTEM	427 510	390 694	437 455	400 985	343 650	325 395	62 667	53 261	59 107	51 214
SOUTHERN DISTRICT TOTAL	1 373 427	1 210 273	1 421 060	1 257 886	1 240 069	1 122 340	142 233	109 122	150 183	103 075
WESTERN DISTRICT										
ATCHISON, TOPEKA & SANTA FE	568 310	498 828	581 233	511 416	534 575	479 782	35 357	25 619	28 616	20 383
BURLINGTON NORTHERN	897 876	654 832	923 106	679 867	820 691	601 319	67 339	59 015	90 019	76 445
CHICAGO & NORTH WESTERN	236 750	192 821	259 822	214 039	245 490	210 083	15 718	3 953	10 266	1 885
CHICAGO, MILW., ST. PAUL & PAC.	91 396	93 319	102 968	106 449	110 664	163 724	DEF 8 341	DEF 57 235	140 655	DEF 40 845
COLORADO & SOUTHERN	37 109	28 746	37 602	29 599	31 410	26 891	4 217	4 065	10 714	8 679
DENVER & RIO GRANDE WESTERN	78 800	67 545	80 179	68 803	67 538	59 809	7 625	6 434	6 939	5 164
DULUTH, MISSABE & IRON RANGE	14 575	15 172	14 884	15 620	18 887	15 182	DEF 2 772	DEF 68	DEF 1 608	907
FORT WORTH & DENVER	42 016	30 415	42 888	31 297	32 958	24 199	6 456	4 480	6 607	4 452
KANSAS CITY SOUTHERN	71 475	62 497	75 051	66 989	64 916	57 266	8 081	7 255	7 175	6 846
MISSOURI-KANSAS-TEXAS	65 808	46 935	69 330	49 860	62 740	47 037	7 248	3 324	4 684	1 744
MISSOURI PACIFIC	464 644	386 332	478 357	398 809	412 321	348 541	48 842	39 558	39 196	29 226
ST. LOUIS SOUTHWESTERN	89 476	67 195	91 041	68 056	79 710	56 564	8 321	8 949	6 682	7 494
ST. LOUIS-SAN FRANCISCO	0	124 968	0	129 000	0	114 782	0	11 836	0	9 447
SOO LINE	77 852	78 583	79 464	80 175	62 155	63 404	10 789	11 254	11 090	10 987
SOUTHERN PACIFIC CO.	529 264	481 084	545 289	497 426	539 109	502 299	6 420	DEF 1 727	3 750	DEF 6 687
UNION PACIFIC	527 287	468 251	535 028	477 482	439 921	417 875	66 065	47 029	52 768	35 423
WESTERN PACIFIC	48 620	42 309	49 231	42 981	46 626	41 964	2 280	920	1 814	650
WESTERN DISTRICT TOTAL	3 841 258	3 339 832	3 965 453	3 467 868	3 569 611	3 230 701	283 645	174 661	419 367	171 200
GRAND TOTAL - UNITED STATES	7 181 908	6 329 256	7 659 575	6 802 340	6 960 265	6 404 212	468 947	270 238	636 395	271 396

a/ Data for St. Louis-San Francisco for 1980 is included for comparability in district and U.S. totals.

OPERATING INCOME ACCOUNT - UNITED STATES - 12 MONTHS ENDED MARCH 31, 1977 to 1981

Class I Railroads in The United States

(Dollars in thousands)

AMOUNT	1981	1980	1979	1978	1977
FREIGHT	$ 7 181 908	$ 6 329 257	$ 5 220 377	$ 4 442 717	$ 4 395 140
PASSENGER	121 085	98 276	90 454	84 947	81 258
PASSENGER RELATED	2 531	2 577	4 631	10 430	)
ALL OTHER OPERATING REVENUE	349 328	368 256	306 303	230 276	) 193 577
JOINT FACILITY ACCOUNT	4 723	3 974	4 346	3 215	)
TOTAL OPERATING REVENUES	7 659 576	6 802 340	5 626 112	4 771 585	4 669 975
TOTAL WAY AND STRUCTURES	1 129 850	1 037 461	952 191	823 335	)
TOTAL EQUIPMENT EXPENSE	1 716 455	1 610 033	1 450 437	1 308 100	) Detail not available on a comparable basis.
TRANSPORTATION-TRAIN & YARD	3 086 217	2 850 791	2 279 654	2 019 993	)
TRANSPORTATION-SPEC.SERV. & ADM.	382 136	339 354	286 345	263 114	)
GENERAL AND ADMINISTRATIVE	645 607	566 575	508 679	488 291	)
TOTAL OPERATING EXPENSES a/	6 960 264	6 404 214	5 477 306	4 902 833	4 617 829
NET REVENUE FROM RAILWAY OPERATIONS	699 312	398 126	148 805	Def. 131 248	52 145
OTHER INCOME b/	287 310	226 833	172 991	130 703	124 833
TOTAL INC. FROM AFFILIATED COS.	223 872	71 204	45 069	Dr. 31 129	25 900
MISCELLANEOUS DEDUCTIONS	59 209	48 756	43 278	26 981	17 953
TOTAL FIXED CHARGES	273 318	233 146	199 184	184 193	162 951
OTHER DEDUCTIONS	4 003	4 402	4 559	4 684	5 609
UNUSUAL OR INFREQ. ITEMS (DR.) CR.	81	Dr. 4 755	0	0	0
INCOME TAXES ON ORDINARY INCOME c/	125 295	60 109	35 507	Cr. 4 404	23 642
PROVISION FOR DEFERRED INCOME TAXES	112 193	73 598	35 183	12 010	27 140
INCOME(LOSS)FR.CONT.OPER.AFT.INC.TAX	636 395	271 397	49 156	Def. 225 138	Def. 34 416
INCOME(LOSS)BEFORE EXTRAORDINARY ITEMS	636 395	271 397	49 156	Def. 225 138	Def. 34 416
NET INCOME(AFTER EXTRAORDINARY ITEMS)	636 395	271 397	48 640	Def. 225 138	Def. 34 797
NET RAILWAY OPERATING INCOME	468 947	270 238	83 445	Def. 133 034	6 436

a/ Total operating expenses for 1977 partially estimated.

b/ Other income for 1977 partially estimated.

c/ Income taxes on ordinary income excludes state income taxes for 1977.

TOTAL OPERATING REVENUES, EXPENSES, ORDINARY INCOME, NET RAILWAY OPERATING INCOME, REVENUE TON-MILES AND CAPITAL EXPENDITURES

CLASS I RAILROADS IN THE UNITED STATES
BY QUARTERS, 1977 - 1981

(ALL AMOUNTS IN THOUSANDS)

Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
TOTAL OPERATING REVENUES					
1977	$ 4 669 975	$ 5 220 326	$ 4 959 852	$ 5 068 445	$ 19 946 814
1978	4 771 585	5 752 333	5 396 857	5 903 295	21 836 194
1979 c/	5 626 112	6 471 312	6 403 566	6 851 270	25 352 260
1980 c/	6 802 340	6 958 992	6 994 940	7 514 006	28 254 439
1981 c/	7 659 576				
TOTAL OPERATING EXPENSES a/					
1977	$ 4 617 829	$ 4 896 020	$ 4 897 825	$ 4 894 531	$ 19 299 142
1978	4 902 833	5 372 125	5 266 488	5 581 189	21 129 788
1979 c/	5 477 306	5 941 773	6 249 755	6 422 097	24 092 948
1980 c/	6 404 214	6 662 165	6 623 188	6 807 363	26 352 219
1981 c/	6 960 264				
ORDINARY INCOME (After Fixed Charges)					
1977 b/	Def. $ 9 415	$ 246 194	$ 1 362	$ 116 781	$ 358 607
1978 b/	Def. 255 138	234 732	29 597	234 291	257 816
1979 c/	49 156	446 377	60 637	317 687	839 504
1980 c/	217 397	183 861	156 143	545 257	1 130 800
1981 c/	636 395				
NET RAILWAY OPERATING INCOME					
1977 b/	$ 31 436	$ 248 569	$ 28 555	$ 119 206	$ 432 914
1978 b/	Def. 133 034	269 330	56 487	245 368	445 632
1979 c/	83 445	400 518	75 133	299 172	857 848
1980 c/	270 238	175 129	222 153	539 571	1 337 266
1981 c/	468 947				
REVENUE TON-MILES					
1977	195 911 469	216 023 444	205 266 541	208 661 554	826 202 375
1978	188 124 434	230 434 523	210 507 201	227 091 437	858 105 405
1979 c/	205 302 854	235 301 026	227 659 684	235 117 196	902 058 503
1980 c/	233 003 289	227 599 606	222 427 264	236 045 308	918 958 115
1981 c/	236 559 694				
CAPITAL EXPENDITURES					
1977	$ 427 451	$ 486 265	$ 611 070	$ 758 197	$ 2 291 153
1978	560 240	679 997	612 249	949 081	2 738 237
1979 c/	669 142	767 416	856 131	1 031 842	3 300 871
1980 c/	855 082	897 857	772 164	1 122 958	3 621 256
1981 c/	n/a				

Def. - Denotes Deficit.

a/ Operating expenses partially estimated and include state income taxes if any, prior to first quarter, 1978.

b/ Includes first, second and third quarter Long Island adjustments to reflect ICC change in accounting, requiring subsidies (Accounts 502 and 503) to be included in operating revenues. This adjustment was $25 million per quarter for 1977 and about $20 million per quarter in 1978.

c/ Data for 1979, 1980 and 1981 exclude Chicago, Rock Island and Pacific Railroad as their data is not available.